Rising trends of frauds in on-line transactions

352. SHRI VIJAY J. DARDA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the rising trend of frauds being committed in on-line transactions and Banks or their clients suffering huge losses thereby;

(b) if so, any measures are being taken towards countering this fast-growing menace; and

(c) what is the extent of losses suffered by PSU Banks due to such frauds during, 2006, number-wise and amount-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (c) RBI has reported that several instances of frauds in on-line transactions have been reported by banks, which include internet banking frauds, debit cards/ATM frauds and credit card frauds. The number of such frauds reported by public sector banks during the year, 2006 are as under:

Credit Card frauds		Debit Card/ATM frauds		Internet	Banking frauds
No. of frauds	Amt. involved (Rs. in lakh)	No. of frauds	Amt. involved (Rs. in lakh)	No. of frauds	Amt. involved (Rs. in lakh)
10	21.36	66	82.44	Nil	Nil

(b) RBI had issued detailed guidelines on internet banking to all commercial banks in June, 2001, covering technology and security standards, legal issues and regulatory/supervisory issues. RBI had also issued a caution circular on February 16, 2006 to all commercial banks on phishing attacks (creating fake websites of banks and collecting customer details such as user ID, password etc. and thereby fraudulently withdrawing money from the customer's account using fake credit card). The circular contains details of the *modus operandi* of such attacks and the minimum set of preventive/detective measures to tackle them.

Investment of mutual funds by PSEs

353. SHRI SITARAM YECHURY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are forcing the PSEs to enter into Mutual Fund market;

(b) if so, the reasons therefor;

(c) whether Government would give any protection against the market fluctuations; and

(d) if not, how Government will compensate the loss incurred to PSEs due to investments in Mutual Funds?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir. The Cabinet Committee on Economic Affairs **has** recently approved relaxation of the prohibition on investment of surplus funds by PSEs in mutual funds. However, it has restricted the relaxation to Navaratna and